

Introduced by Senator Gaines

February 21, 2014

An act to amend Section 1861.10 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1331, as introduced, Gaines. Insurance: interveners payment.

The Insurance Rate Reduction and Reform Act of 1988, an initiative measure, enacted by Proposition 103, as approved by the voters at the November 8, 1988, statewide general election, among other things, prohibits specified insurance rates from being approved or remaining in effect that are excessive, inadequate, unfairly discriminatory, or otherwise in violation of the provisions of the act, and requires any insurer desiring to change those insurance rates to file a completed rate application with the Insurance Commissioner, as provided. The act also authorizes any person to initiate or intervene in any proceeding permitted or established pursuant to the governing provisions, to challenge any action of the commissioner under the governing provisions, and to enforce any of the governing provisions, and requires the commissioner or a court to award reasonable advocacy and witness fees and expenses to that person, as provided.

This bill would delete the provisions regarding awarding reasonable advocacy and witness fees and expenses.

The California Constitution and the act authorize the Legislature to amend or repeal an initiative statute by another statute that becomes effective when approved by the electors.

This bill would provide that its provisions will become effective only upon approval of the voters, and would provide for the submission of

this measure to the voters for approval at the next statewide general election.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1861.10 of the Insurance Code is
2 amended to read:

3 1861.10. Consumer Participation. ~~(a) Any person may initiate~~
4 ~~or intervene in any proceeding permitted or established pursuant~~
5 ~~to this chapter, challenge any action of the commissioner under~~
6 ~~this article, and enforce any provision of this article.~~

7 ~~(b) The commissioner or a court shall award reasonable~~
8 ~~advocacy and witness fees and expenses to any person who~~
9 ~~demonstrates that (1) the person represents the interests of~~
10 ~~consumers, and, (2) that he or she has made a substantial~~
11 ~~contribution to the adoption of any order, regulation, or decision~~
12 ~~by the commissioner or a court. Where such advocacy occurs in~~
13 ~~response to a rate application, the award shall be paid by the~~
14 ~~applicant.~~

15 ~~(c) All requests for a finding of eligibility to seek compensation~~
16 ~~and all findings of eligibility, as described in Section 2662.2 of~~
17 ~~Title 10 of the California Code of Regulations, shall be published~~
18 ~~on the Department of Insurance Internet Web site during the~~
19 ~~eligibility period.~~

20 SEC. 2. Section 1 of this act amends the Insurance Rate
21 Reduction and Reform Act of 1988, Proposition 103, an initiative
22 statute, and shall become effective only when submitted to and
23 approved by the voters. The Secretary of State shall submit Section
24 1 of this act for approval by the voters at a statewide election in
25 accordance with Section 9040 of the Elections Code.